

## Call, Rosemarie

---

**From:** Susan Crockett <s.crockett@rutheckerdhall.net>  
**Sent:** Tuesday, December 13, 2022 7:11 PM  
**To:** Jennings, Jon; Ravins, Jay; Halios, James; Koch, Kris; Brian J. Aungst Jr.; Call, Rosemarie  
**Cc:** Margolis, David; Sarah Prout  
**Subject:** RE: Financials Needed for Thursday Meeting  
**Attachments:** Coachman Amp Projections 12.1.22.pdf

**CAUTION:** This email originated from outside of the City of Clearwater. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Attached please find our projections and summary of financial assumptions. As I noted, the growth rate is based on what is feasible but we realize there is sensitivity to the level of activity. We are flexible under the City's direction for future growth.

Thank you,  
Susan

---

**From:** Jennings, Jon <Jon.Jennings@MyClearwater.com>  
**Sent:** Tuesday, December 13, 2022 4:15 PM  
**To:** Ravins, Jay <Jay.Ravins@myClearwater.com>; Halios, James <James.Halios@MyClearwater.com>; Koch, Kris <kris.koch@MyClearwater.com>; Susan Crockett <s.crockett@rutheckerdhall.net>; Brian J. Aungst Jr. <BJA@macfar.com>; Call, Rosemarie <Rosemarie.Call@myClearwater.com>  
**Cc:** Margolis, David <David.Margolis@MyClearwater.com>  
**Subject:** FW: Financials Needed for Thursday Meeting

**EXTERNAL EMAIL WARNING:** Do not click links or open attachments unless you recognize the sender and know the content is safe.

Please see below from VM Beckman. She would like all of this before the meeting on Thursday. I am copying Susan Crockett and Brian Aungst, Jr. as they may be able to provide some of this information.

Jon P. Jennings, ICMA-CM, MPA  
City Manager  
City of Clearwater  
600 Cleveland Street, Suite 600  
Clearwater, FL 33755  
(727) 562-4040 Office  
(727) 562-4052 Fax  
[Jon.jennings@myclearwater.com](mailto:Jon.jennings@myclearwater.com)  
[www.myclearwater.com](http://www.myclearwater.com)



---

**From:** Beckman, Kathleen <[Kathleen.Beckman@MyClearwater.com](mailto:Kathleen.Beckman@MyClearwater.com)>  
**Sent:** Tuesday, December 13, 2022 3:58 PM  
**To:** Jennings, Jon <[Jon.Jennings@MyClearwater.com](mailto:Jon.Jennings@MyClearwater.com)>  
**Subject:** Financials Needed for Thursday Meeting

Hi Jon,

I appreciate receiving the Superlative document today regarding revenue projections for naming rights. Before Thursday, I'd like a document that includes all financials the City expects related to the REH contract and operation of Coachman Park (and if necessary a meeting to review it).

This would be in relation to Jay's statements about REH assuming all risk, and our calculation that we would be operating in a \$2 million deficit if the City were operating the park. Jay communicated that even if REH could not guarantee \$2 million per year, we would be "losing less" because they are operating the venue.

I expect the document will show our costs related to the park -  
Bond payment  
Maintenance  
Insurance  
Staffing  
Etc...  
Expected subsidies for "Community Events"  
Costs for "City Events"

And then the expected revenue streams from the park -  
Naming rights/Superlative. (What would Jay put down on a sheet of paper for what the realistic expectations are per year?) What assumptions are being made?  
Any profit share from REH (expectations/projections per year)  
Ticket revenue - (again - per year)

So basically a balance sheet - and it's ok/appropriate if it projects out 3-5 years.  
As of today, I don't have this information. It is imperative that I have a basic understanding of the financials (in a consolidated/summarized way) before I vote on this contract.

I understand that this is new territory - but what numbers are being used - based on your expertise/experience as we are calculating expected revenue and expenses.

Thank you so much.

Kathleen Beckman (she/hers)  
Clearwater Vice-Mayor

**Vote by Mail, sign up now!**  
Call 727-464-8683, m-f 8-5, or  
<https://www.vote411.org/florida>

"Life's most persistent and urgent question is, 'What are you doing for others?'" Dr. Martin Luther King, Jr.

## Financial Summary

### City Obligations:

- Delivery of Infrastructure in good working order
- FF&E as determined by city
- Maintenance of City's major assets
- Reimburse REH for out-of-pocket costs for city events
- Reimburse REH for benefits provided to the City's sponsors
- There is no stipulation for city subsidies for other groups using the facility

### City Receives:

- \$5 per paid ticket (\$3 for tickets priced \$10 and under)
- \$1 per complimentary ticket issued
- Profit share of REH 75% / City 25% above 8% profit margin
- Use of facility for 12 city events at out-of-pocket cost
- 24 complimentary tickets to every event
- 10 premium seats for naming sponsor at cost
- Access to premium services for guests
- Proceeds from naming rights of city assets and pouring rights

### Ruth Eckerd Hall Obligations:

- Assume 100% Risk with \$2.8M in annual fixed costs (not including programming)
- Provide \$2.5M in FF&E and start-up costs
- Provide a minimum of 35 events per year (excluding city events)
- Maintain cost-reasonable sustainability practices
- Maintain licensee's assets
- Bear all daily operational costs including staffing, custodial, security, maintenance, etc.
- Carry Comprehensive Liability for the venue as designated on construction documents

### Ruth Eckerd Hall Receives:

- Use of the facility
- Proceeds from any sponsorships related to REH programming
- Profit/Loss from operations, subject to profit-sharing agreement

### Impact:

Ruth Eckerd Hall must net a minimum of \$2.8M from programming to break even each year and does not recoup its \$2.5M investment for several years.

Projections based on an aggressive growth model will yield **\$1.1M** to the City at the end of the first 12 months increasing to **\$2.2M** by the end of Year 5.

According to St. John's County 2016 study for a comparable venue (St. Aug Amp), the adjusted economic impact in direct consumer spending translates to approx **\$32.4M** in Year 1, increasing to **\$62.6M** by the end of Year 5. This does not include indirect impact such as tax increases, job creation, business and investment attraction, etc.

Rate of growth will ultimately depend on community response and City's direction.

## Projections

| <b>Profit Margin</b>         | Year 1    | Year 2    | Year 3    | Year 4    | Year 5    |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Fixed Costs                  | 2,790,049 | 2,790,049 | 2,790,049 | 2,790,049 | 2,790,049 |
| Operating Net (before share) | 345,316   | 1,516,224 | 2,669,897 | 3,065,309 | 3,495,141 |
| Profit Margin (before share) | 2.7%      | 8.0%      | 10.9%     | 11.4%     | 11.9%     |

| <b>Revenue by Source</b> | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------|--------|--------|--------|--------|--------|
| Programming              | 63%    | 64%    | 65%    | 65%    | 65%    |
| Food and Beverage        | 24%    | 23%    | 23%    | 23%    | 23%    |
| Ancillary Fees           | 10%    | 10%    | 10%    | 10%    | 10%    |
| Rentals                  | 1%     | 1%     | 1%     | 1%     | 1%     |
| Sponsorships             | 2%     | 2%     | 1%     | 1%     | 1%     |

| <b>Expense by Category</b>    | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------|--------|--------|--------|--------|--------|
| Programming / Production      | 60%    | 65%    | 67%    | 68%    | 69%    |
| Food and Beverage             | 15%    | 15%    | 16%    | 16%    | 16%    |
| Rental Administration         | 2%     | 2%     | 2%     | 2%     | 2%     |
| Sponsorships                  | 1%     | 1%     | 1%     | 1%     | 1%     |
| Wages & Benefits - Operations | 5%     | 4%     | 3%     | 3%     | 3%     |
| Occupancy Costs               | 4%     | 3%     | 3%     | 2%     | 2%     |
| Office & Other                | 13%    | 10%    | 8%     | 7%     | 7%     |

| <b>Profit Margin by Event Type</b> | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Programming                        | 21%    | 19%    | 20%    | 18%    | 18%    |
| Food and Beverage                  | 39%    | 40%    | 40%    | 40%    | 40%    |
| Ancillary Fees                     | 33%    | 34%    | 35%    | 35%    | 36%    |
| Rentals                            | 1%     | 1%     | 1%     | 1%     | 1%     |

| <b>Number of Events</b>        | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------|--------|--------|--------|--------|--------|
| REH Events - Reserved Seats    | 20     | 32     | 42     | 46     | 50     |
| REH Events - Reserved and Lawn | 10     | 14     | 18     | 20     | 22     |
| Non-Ticketed Use               | 12     | 14     | 14     | 14     | 14     |
| Ticketed Rentals               | 7      | 8      | 10     | 12     | 12     |
| Total                          | 49     | 68     | 84     | 92     | 98     |

| <b>Attendance/Reach</b>        | Year 1  | Year 2  | Year 3  | Year 4  | Year 5  |
|--------------------------------|---------|---------|---------|---------|---------|
| REH Events - Reserved Seats    | 60,000  | 96,000  | 126,000 | 138,000 | 150,000 |
| REH Events - Reserved and Lawn | 67,500  | 94,500  | 121,500 | 135,000 | 148,500 |
| Non-Ticketed Use               | 42,000  | 49,000  | 49,000  | 49,000  | 49,000  |
| Ticketed Rentals               | 21,000  | 21,000  | 21,000  | 21,000  | 21,000  |
| Total                          | 190,500 | 260,500 | 317,500 | 343,000 | 368,500 |

|  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| \$4 per ticket                               | 594,000          | 846,000          | 1,074,000        | 1,176,000        | 1,278,000        |
| \$1 per comp ticket                          | 10,395           | 14,805           | 18,795           | 20,580           | 22,365           |
| \$1 per paid ticket for venue fund           | 148,500          | 211,500          | 268,500          | 294,000          | 319,500          |
| \$2 per paid ticket priced \$10 and under    |                  |                  |                  |                  |                  |
| Naming Rights, to City                       | 350,000          | 350,000          | 350,000          | 350,000          | 350,000          |
| 25% profit share over 8% profit margin       |                  | -                | 178,945          | 226,205          | 284,290          |
| <b>Total Fees &amp; Profit share to City</b> | <b>1,102,895</b> | <b>1,422,305</b> | <b>1,890,240</b> | <b>2,066,785</b> | <b>2,254,155</b> |